

MONTANA LEGISLATIVE HISTORY

Chapter 565 19 85

Bill H 601 S _____ Original bill & history C

H. Committee on State Admin.

Hearing Date(s) Feb 13 ☒ C

_____ C

_____ C

_____ C

Date Out Feb 13 ☒ C

S. Committee on State Admin.

Hearing Date(s) Mar 18 ☒ C

_____ C

_____ C

_____ C

Mar 18 ☒ C

Did this bill originate in an interim committee? Yes No

Committee _____

Report _____

CHAPTER NUMBER 242 EFFECTIVE DATE: 10/01/85

601 INTRODUCED BY THOMAS GRADY COBB
SMALL IRRIGATION DISTRICTS EXEMPT FROM AUDIT

1/31 INTRODUCED
1/31 REFERRED TO STATE ADMINISTRATION
2/13 HEARING
2/13 COMMITTEE REPORT-BILL DO PASS
2/16 2ND READING PASS 96 0
2/18 3RD READING PASS 99 0

TRANSMITTED TO SENATE

2/19 REFERRED TO STATE ADMINISTRATION
3/19 HEARING
3/19 COMMITTEE REPORT-BILL CONCURRED
3/22 2ND READING CONCURRED AS AMENDED 48 0
3/25 3RD READING CONCURRED 49 0

RETURNED TO HOUSE WITH AMENDMENTS

4/09 2ND READING AMENDMENTS CONCURRED 96 0
4/09 ON MOTION RULES SUSPENDED
PLACED ON 3RD READING THIS DAY
4/09 3RD READING AMENDMENTS CONCURRED 95 0
4/15 SIGNED BY SPEAKER
4/15 SIGNED BY PRESIDENT

4/15 TRANSMITTED TO GOVERNOR

4/19 SIGNED BY GOVERNOR

CHAPTER NUMBER 565 EFFECTIVE DATE: 4/19/85

802 INTRODUCED BY FRITZ, SCHYE, ET AL.
ARTIST-ART DEALER RELATIONSHIP

1/31 INTRODUCED
1/31 REFERRED TO BUSINESS & LABOR
2/06 HEARING
2/08 COMMITTEE REPORT-BILL PASS AS AMENDED
2/09 2ND READING PASS AS AMENDED 95 1
2/12 3RD READING PASS 97 0

TRANSMITTED TO SENATE

2/13 REFERRED TO BUSINESS & INDUSTRY
3/13 HEARING
3/19 COMM REPORT-BILL CONCURRED AS AMENDED
3/22 2ND READING CONCURRED 48 0
3/25 3RD READING CONCURRED 49 0

RETURNED TO HOUSE WITH AMENDMENTS

4/09 2ND READING AMENDMENTS CONCURRED 96 0
4/09 ON MOTION RULES SUSPENDED
PLACED ON 3RD READING THIS DAY
4/09 3RD READING AMENDMENTS CONCURRED 94 2
4/15 SIGNED BY SPEAKER
4/15 SIGNED BY PRESIDENT

4/15 TRANSMITTED TO GOVERNOR

4/18 SIGNED BY GOVERNOR

CHAPTER NUMBER 534 EFFECTIVE DATE: 10/01/85

He did say that the bill would need a new section stating that if HB 394 becomes law this bill would become null and void.

PROPOSERS: Sara Parker, State Librarian, told the Committee that the Legislature created the Library Commission and they are statutorily charged with a number of duties. These members work conscientiously and with great concern for the libraries across the state. This bill would enable them to recoup some of their costs incurred in serving on the Commission.

Nellie Sullivan said she had served on the State Library Commission when she was a resident of Glendive and felt this is a very important commission for the citizens of Montana. These people must be dedicated in order to accept these appointments and it would have been helpful to her if there had been some compensation. The lack of compensation sometimes makes a difference in who can serve on the Commission.

Brenda Schye, Montana Arts Advocacy Council, supported the bill and read her prepared testimony, Exhibit #2.

C.E. "Abe" Abramson, Missoula, said he was a member of the Library Commission and would benefit from HB 576. After serving on other boards and commissions he said he was surprised when he found out that there was no compensation for the Library Commission.

OPPOSERS: There were no opposers.

DISCUSSION OF HOUSE BILL NO. 576: Rep. O'Connell asked if this bill could be held until the outcome of HB 394 or did it have to be transmitted by the 45th day.

Rep. Fritz closed without further comment.

CONSIDERATION OF HOUSE BILL NO. 601: Rep. Bob Thoft, District #63, said this would relieve small irrigation districts from the expense of having the State audit their books. This expense is way out of line with the income and disbursements of these small districts.

PROPOSERS: Jim McKinley, Sec./Treas. of the Tiffin Tracts Water Users Association of Stevensville, Montana, read his prepared testimony which is attached as Exhibit #3.

Julie Wallace, Secretary of Sunset Irrigation District, said this district was formed in 1945 and she was now on page 46 in her ledger. She said that a real busy year would be 40 checks. She showed the committee one book for the minutes from April, 1959 to the present. She said the last audit cost them \$516 and believed the smaller

OPPONENTS: There were no opponents.

DISCUSSION OF HOUSE BILL NO. 601: There were no questions from the Committee.

Rep. Thoft closed without further comment.

CONSIDERATION OF HOUSE BILL NO. 524: Rep. Kelly Addy, District #94, sponsor, said this would allow the department of state lands to reduce existing overriding royalties that cause premature abandonment of marginal wells and would encourage the drilling of oil and gas leases.

PROPOSERS: Dennis Hemmer, Department of State Lands, appeared in support of the bill and read his testimony to the Committee which is attached as Exhibit #4.

Darwin VanDeGraaf, Executive Director of the Montana Petroleum Association appeared not as a proponent or opponent. They do think the problem of overriding royalties can impede production and proposed an amendment to the bill. Page 2, line 2 would read "The board of land commissioners may require that an agreement which" and page 2, line 12 strike "must". With these amendments they would endorse the bill.

OPPONENTS: There were no opponents.

DISCUSSION OF HOUSE BILL NO. 524: Rep. Jenkins asked Rep. Addy to explain what overriding royalties are. Rep. Compton asked how high the percentage would be under this bill. Mr. Hemmer said there is no limit. Leases can be moved around with each one keeping 1-2% and this erodes the profitability for the operator.

Rep. Addy closed saying that he had no problem with the amendments suggested by Mr. VanDeGraaf.

CONSIDERATION OF HOUSE BILL NO. 570: Rep. John Mercer, District #70, sponsor, said the bill would change the existing fire inspection requirement from 6 months to at least once each 12 months for school buildings and all other buildings at least once each 18 months. They don't have the manpower to cover them all in the 6 month period. These would be mandatory inspections but it would not prevent them from making inspections at other times as well.

PROPOSERS: Bruce Houston, Deputy State Fire Marshal, said the majority of the communities were not complying with the statutes and this bill was proposed by the paid fire chiefs throughout the state.

Mike Walker, Montana State Fire Marshal's Advisory Board, said that under the current statute there must be an inspection of every building every 6 months.

Regarding the treatment center at Glasgow, this money was loaned to them for construction of the unit because FmHA does not loan money for construction, however, they will assume the loan after the construction is complete. This all had to be approved before construction began. After construction the Health Facility Authority will be repaid by FmHA.

There being no further questions concerning HB 623, the Committee went into executive session.

DISPOSITION OF HOUSE BILL NO. 623: Rep. Phillips moved HB 623 DO PASS AS AMENDED with an effective date of 1983. Motion seconded by Rep. Smith. Motion CARRIED with Reps. Peterson, Cody and Fritz voting "no".

DISPOSITION OF HOUSE BILL NO. 603: Rep. Peterson moved that HB 603 DO NOT PASS, seconded by Rep. Cody. Motion CARRIED UNANIMOUSLY.

DISPOSITION OF HOUSE BILL NO. 629: Rep. O'Connell moved that HB 629 DO PASS, second received.

Chairman Sales again asked if any of these fines are going into retirement funds. Mr. Schneider said there is a Senate bill that says highway patrolmen retirement fund will get 1% of all fines only from fines of no proof of insurance.

Rep. Holliday said she didn't like the bill as in her area the county officers were making it a fund raiser and said this bill would increase and encourage that. Reps. Campbell and Smith agreed with Rep. Holliday.

Rep. Phillips said that in the bill it does not preclude giving the money to the counties.

Motion being called for the motion CARRIED with Reps. Campbell, Holliday, Phillips, Hayne and Peterson voting "no".

DISPOSITION OF HOUSE BILL NO. 576: Rep. Fritz moved the ADOPTION OF THE AMENDMENTS, seconded by Rep. Nelson. Motion CARRIED UNANIMOUSLY.

Rep. Fritz then moved that HB 576 DO PASS AS AMENDED, seconded by Rep. Nelson. Motion CARRIED UNANIMOUSLY.

DISPOSITION OF HOUSE BILL NO. 601: Rep. Cody moved that HB 601 DO PASS, seconded by Rep. Peterson. Motion CARRIED with Rep. Harbin voting "no".

DISPOSITION OF HOUSE BILL NO. 524: Rep. Harbin moved the ADOPTION OF THE AMENDMENTS, seconded by Rep. Garcia.

Rep. Cody then moved that HB 524 DO PASS AS AMENDED, seconded

(Type in committee members' names and have 50 printed to start).

DAILY ROLL CALL

State Administration COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date 2/13/85

NAME	PRESENT	ABSENT	EXCUSED
Chairman Walter Sales	/		
V-Chairman Helen O'Connell	/		
Campbell, Bud	/		
Compton, Duane	/		
Cody, Dorothy	/		
Fritz, Harry	/		
Garcia, Rodney	/		
Hayne, Harriet	✓		
Harbin, Raymond	✓		
HolliDay, Gay	✓		
Jenkins, Loren	✓		
Kennerly, Roland	/		
Moore, Janet		/	
Nelson, Richard	/		
Peterson, Mary Lou	/		
Phillips, John	✓		
Pistoria, Paul	/		
Smith, Clyde	/		

STANDING COMMITTEE REPORT

February 13 19 35

MR. **SPEAKER**

We, your committee on **STATE ADMINISTRATION**

having had under consideration **HOUSE** Bill No. **501**

First reading copy (**White**)
color

SMALL IRRIGATION DISTRICTS EXEMPT FROM AUDIT

Respectfully report as follows: That **HOUSE** Bill No. **501**

DO PASS

1115-0
Ex. #3
2/13/85

Feb. 13, 1985

Gentlemen:

We are representing Tiffin Tracts Water Users Association of Stevensville, Montana. I am Jim McKinley, Sec. Treas., and this is Tom Myers, President of our Association.

Our Association has decreed water rights out of Kootenai Creek dating June 1, 1885 and April 1 1898 for 260 inches of water. Before subdivision these water rights were held by three small farms. Now we serve 28 seperate parcels.

The Association with legally adopted rules and regulations now has the responsibility to distribute the water and pay the costs of the Association.

The Tiffin Tract Water Users Association was audited by the State of Montana for 1982 and 1983. We believe that the cost was excessive and the results far less than should have been expected.

During 1982 and 1983 we had a total of 12 items of income and 13 items of expense or a total of 25 entrys. The audit of these 25 items cost us a total of \$259.88. \$208.00 for the Audit, \$40.00 for typing and \$11.88 for printing. During this two year period we spent a total of \$1294.48. \$259.88 of this was for the audit.

In addition when the auditor found that we had a Bank Account in Stevensville plus money held for us by the County Treasurer he did not complete the financial audit. All records were in his hands and could have been completed in a matter of hours.

We were billed for and paid for the audit on Dec. 15, 1983. The Audit Report Letter of Transmittal to us was written on July 17, 1984. Our letter outlining the action we planned to take was sent to the Audit Bureau on Sept. 6, 1984. We have not recieved a reply.

MINUTES OF THE MEETING
STATE ADMINISTRATION COMMITTEE
MONTANA STATE SENATE

March 19, 1985

The forty-fifth meeting of the State Administration Committee was called to order by Chairman Jack Haffey in Room 331, Capitol, at 10 a.m. on Tuesday, March 19, 1985.

ROLL CALL: With Senator Tveit being excused, all the other members were present.

CONSIDERATION OF HOUSE BILL 601: Representative Bob Thoft, District 63, is the sponsor of this bill entitled, "AN ACT EXEMPTING SMALL IRRIGATION DISTRICTS FROM AUDIT BY THE DEPARTMENT OF COMMERCE; AMENDING SECTION ... AND PROVIDING AN IMMEDIATE EFFECTIVE DATE." Representative Thoft said that 601 is a bill brought before you to exempt small irrigation districts from being audited by the Department of Commerce. He said the bill is simple and there is adequate protection built into the bill in case there is some question about whether or not an audit is needed. Representative Thoft said he was comfortable with the safeguards built into the bill.

PROPOSERS: James McKinley, Tiffin Tracts Water Users Association of Stevensville, Montana, supports this bill. Mr. McKinley told the Committee that his Association with legally adopted rules and regulations now has the responsibility to distribute the water and pay the costs of the Association. His Association was audited by the State of Montana for 1982 and 1983. He believes that the cost was excessive and the results far less than should have been expected. Mr. McKinley said that during 1982 and 1983, they had a total of 12 items of income and 13 items of expense or a total of 25 entries. The audit of these 25 items cost them a total of \$259.88. \$208 for the audit, \$40 for typing and \$11.88 for printing. During this two year period, they spent a total of \$1,294.48. \$259.88 of this was for the audit. Mr. McKinley also told the Committee that the audit was not completed and wasn't done right because they have a bank account in Stevensville plus money held for us by the County Treasurer. (For more of Mr. McKinley's testimony see Exhibit "1" attached hereto and by this reference made a part hereof.)

Julie Wallace, Sunset Irrigation District, supports this bill. Ms. Wallace showed the Committee the books of the district and the ledger that they keep the accounts in. The ledger dated from 1945 and only covered 46 pages. Ms. Wallace said it cost them \$516 to have them audited by the state. She said the auditor claimed that it took 14 hours to audit their books, but she doesn't see how that could be. She said her district does not actually handle any money, it is taken care of by the County Treasurer. Ms. Wallace urged the Committee to support this bill. (See Exhibit "2" attached hereto.)

March 19, 1985

OPPONENTS: There were no opponents.

COMMITTEE QUESTIONS: Senator Lynch asked Valencia Lane, staff attorney, if they were audited by the Department of Commerce. Ms. Lane replied that they were. Senator Lynch asked if they do fire districts also. Representative Thoft replied that if there is a need, there will be done every year, and if anyone complains they will respond to the water districts. Senator Hirsch asked what would happen if there was no audit and someone complained. Valencia Lane replied that the district court is involved and holds those records and has supervisory responsibility for irrigation districts.

Representative Thoft closed by urging the Committee to give this a favorable look. HOUSE BILL 601 is closed.

EXECUTIVE ACTION ON HOUSE BILL 601: Senator Lynch made a motion that HOUSE BILL 601 be concurred in. Question was called, and the Committee voted unanimously that HOUSE BILL 601 BE CONCURRED IN. (Senator Mohar will carry this to the floor.)

CONSIDERATION OF HOUSE BILL 629: Representative Robert Pavlovich, House District 70, is the sponsor of this bill entitled, "AN ACT REALLOCATING MONEY FROM FINES COLLECTED FROM PERSONS APPREHENDED OR ARRESTED BY A SHERIFF OR DEPUTY SHERIFF FOR A MOTOR VEHICLE VIOLATION; AMENDING SECTIONS..., MCA." Representative Pavlovich said that this is a bill locating fines by the Sheriff or Deputy Sheriff, and we would like that money to go to the counties where the arrest occurred.

PROPOSERS: John P. Scully, Sheriffs and Peace Officer's Association, supports this bill. Mr. Scully told the Committee that Representative Pavlovich's testimony was a little misleading. He told the Committee that this is where the fines are supposed to go, so they are taking no money out of the general fund. Mr. Scully told the Committee that sometimes the justice of the peace gets many small fines and some go to the highway patrol and some go to the counties and they just get them mixed up together. All this bill would do is make it clear where the money belongs and a means to insure this. Mr. Scully said that they do not think there is an impact, as this will just clarify the system.

OPPONENTS: There were no opponents.

COMMITTEE QUESTIONS: Senator Lynch asked Mr. Scully about city fines. Mr. Scully said that city fines go into city coffers. He said there was another bill that talks about where these go. Mr. Scully said that Tom Schneider of Montana Public Employees Association, advised that this would take nothing away from the retirement systems. Mr. Scully said that once the money was paid into the highway patrol, there was no way to discover it without going through all the records for all the counties.

COMMITTEE ON

NAME

REPRESENTING

BILL #

Check One	
Support	Oppo:

TCR MYERS

TIFFIN TRACTS WATER USER'S

147601

Anna Parker

State Librarian

576

[Signature]

Priscilla Schaefer

Mont. Arts Advocacy

576

Chuck O'Reilly

10. Shaffer + Peace Officers

629

Handwritten signature

(Please leave prepared statement with Secretary)

3-19-85

NAME :

DATE : _____

ADDRESS :

PHONE :

REPRESENTING WHOM?

APPEARING ON WHICH PROPOSAL:

DO YOU :

SUPPORT?

AMEND?

OPPOSE?

COMMENTS :

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

Feb. 13, 1985

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We were billed for and paid for the audit on Dec. 15, 1983. The Audit Report Letter of Transmittal to us was written on July 17, 1984. Our letter outlining the action we planned to take was sent to the Audit Bureau on Sept. 6, 1984. We have not recieved a reply.

NAME: John J. Wilson DATE: March 1961

DATE: Feb 11 1964

ADDRESS: 521 Mission Street, Wm. 59710

PHONE: 777-3170

REPRESENTING WHOM? Sunset Irrigation District

APPEARING ON WHICH PROPOSAL: HB 601

DO YOU: SUPPORT? YES AMEND? _____ OPPOSE? _____

SUPPORT? Yes

AMEND? _____

OPPOSE? _____

COMMENTS: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

STANDING COMMITTEE REPORT

March 19 1955

MR. PRESIDENT

We, your committee on STATE ADMINISTRATION

having had under consideration HOUSE BILL No. 601

third reading copy (blue)
color

(Senator Mohr will carry)

SMALL IRRIGATION DISTRICTS EXEMPT FROM AUDIT

Respectfully report as follows: That HOUSE BILL No. 601

BE CONCURRED IN

~~XXXXXX~~

~~XXXXXXXXXX~~

Chairman.